

This submittal addresses three issues associated with the Gilroy power plant: the name of the project owner and the project, gas supply, and water supply. Each of these are addressed below.

Name of Project Owner and Project Name

While ownership of the Gilroy project will not change, Calpine has decided to change the owner's name from Calpine Corporation, to Gilroy Energy Center, LLC. The Gilroy Energy Center, LLC is a wholly-owned subsidiary of Calpine Corporation. The name of the project has also been changed to the Gilroy Energy Center.

Natural Gas Pipeline

Natural gas will be used to fuel the Gilroy Energy Center (GEC). The gas will be delivered via a new 10" diameter PG&E gas pipeline which will extend from the existing Gilroy Co-Gen plant, cross under Hwy 152 (Pacheco Pass), and interconnect with the existing PG&E Distributed Feeder Main on the north side of the highway (Please refer to the attached figure). This new northern connection is approximately 540 feet long and will be constructed along the existing site access driveway.

A PG&E gas metering station and customer transfer point will be constructed north of the Gilroy Foods sanitary lift station. The metering station will be within a fenced 24 feet long by 6 feet wide area.

There are no biological, cultural, or paleontological resources along the pipeline route and metering station site. However during construction, erosion control measures will be implemented to prevent sediment from entering Llagas Creek. Traffic along Highway 152 will not be impacted because PG&E will use either the horizontal directional drill or jack and bore construction methods to install the gas pipeline under the highway. An area no greater than 100 feet by 100 feet will be needed on each side of the highway for the drilling equipment.

After the metering station, a new Calpine gas pipeline will be installed within the boundaries of the existing Gilroy Co-Gen plant. The pipeline will travel through the plant to the new GEC power plant site. The specific route of the pipeline has not been determined. However, the area within the existing Gilroy Co-Gen plant was already disturbed during construction of the plant. Therefore, there will be no impacts associated with the installation of the pipeline within the boundaries of the Gilroy Co-Gen plant.

Water Supply

The 21 day application for the Gilroy Power Plant states that the project will use either ground water or reclaimed water. This is to clarify that Phase I of the GEC project will utilize groundwater only. As stated in the application, the groundwater will be supplied by two existing wells on the Gilroy Co-Gen plant site. Further, as documented in the application, these two wells have sufficient capacity to serve the GEC Phase I project without significant adverse impacts.